



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

May 16, 2002

The Honorable Robert G. Woodson, Jr.
Chief Judge
County of Cumberland General District Court
P. O. Box 24
Cumberland, VA 23040

The Honorable Frank M. Slayton
Chief Judge
County of Cumberland Juvenile and
Domestic Relations District Court
P. O. Box 430
Halifax, VA 24558

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Cumberland District Court for the period January 1, 2001 through December 31, 2001.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Deposit and Record Daily Collections Timely

As noted in the prior audit report, the Clerk only makes weekly deposits with each deposit averaging over \$2,500. Furthermore, the Clerk records the deposit in the automated accounting system before actually depositing the collections and receiving the validated bank deposit slip.

Delaying the deposit of court collections unnecessarily exposes collections to a risk of misappropriation or theft. Additionally, posting deposits to the automated accounting system before receiving a validated bank deposit slip does create unnecessary differences and increases the risk of errors.

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Although the Judge has authorized the Clerk to make deposits once or twice a week, we believe the Judge should reconsider this authorization in the total context of internal controls within the Court. To avoid these issues, the Clerk should obtain supporting documentation and record and deposit funds as required. Following the Financial Management System Manual and making timely deposits will reduce the risk of loss and error and ease the record keeping process.

We discussed these comments with the Clerk on May 14, 2002 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable William S. Kerr, Judge
Carolyn Z. Helgeson, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnne Lane, Court Analyst
Supreme Court of Virginia